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THE *Livestock* SITUATION

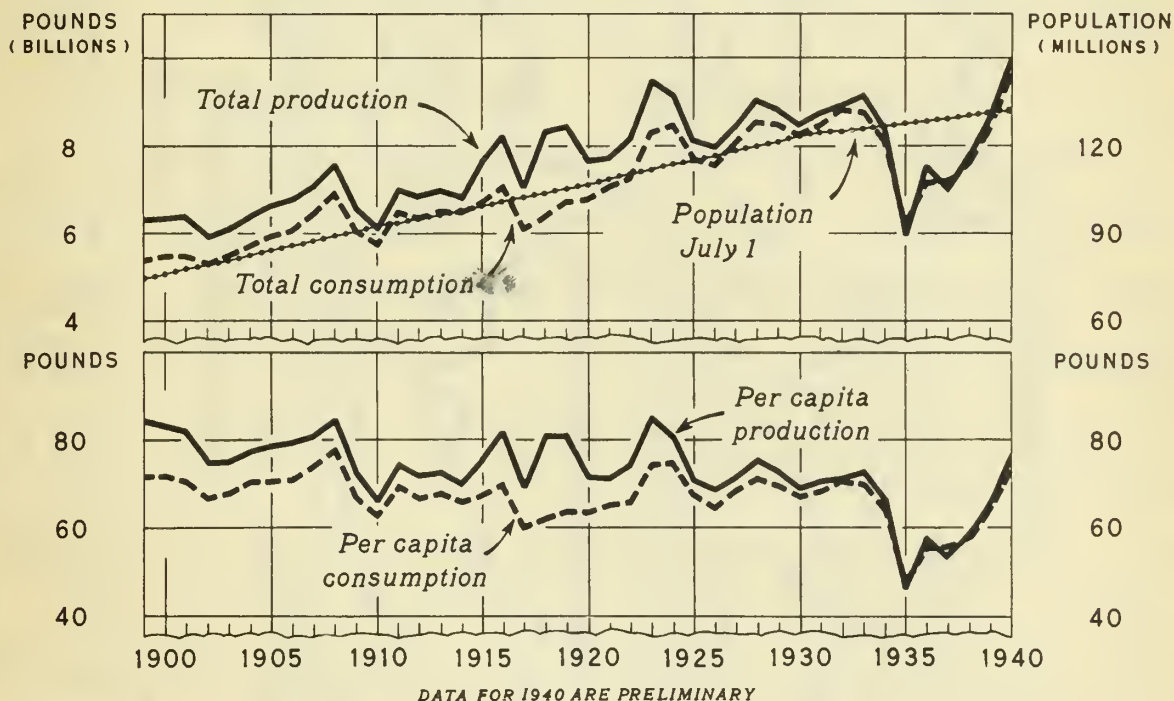
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LS-24



JUNE 1941

PRODUCTION AND CONSUMPTION OF PORK, (EXCLUDING LARD), AND POPULATION, UNITED STATES, 1899-1940



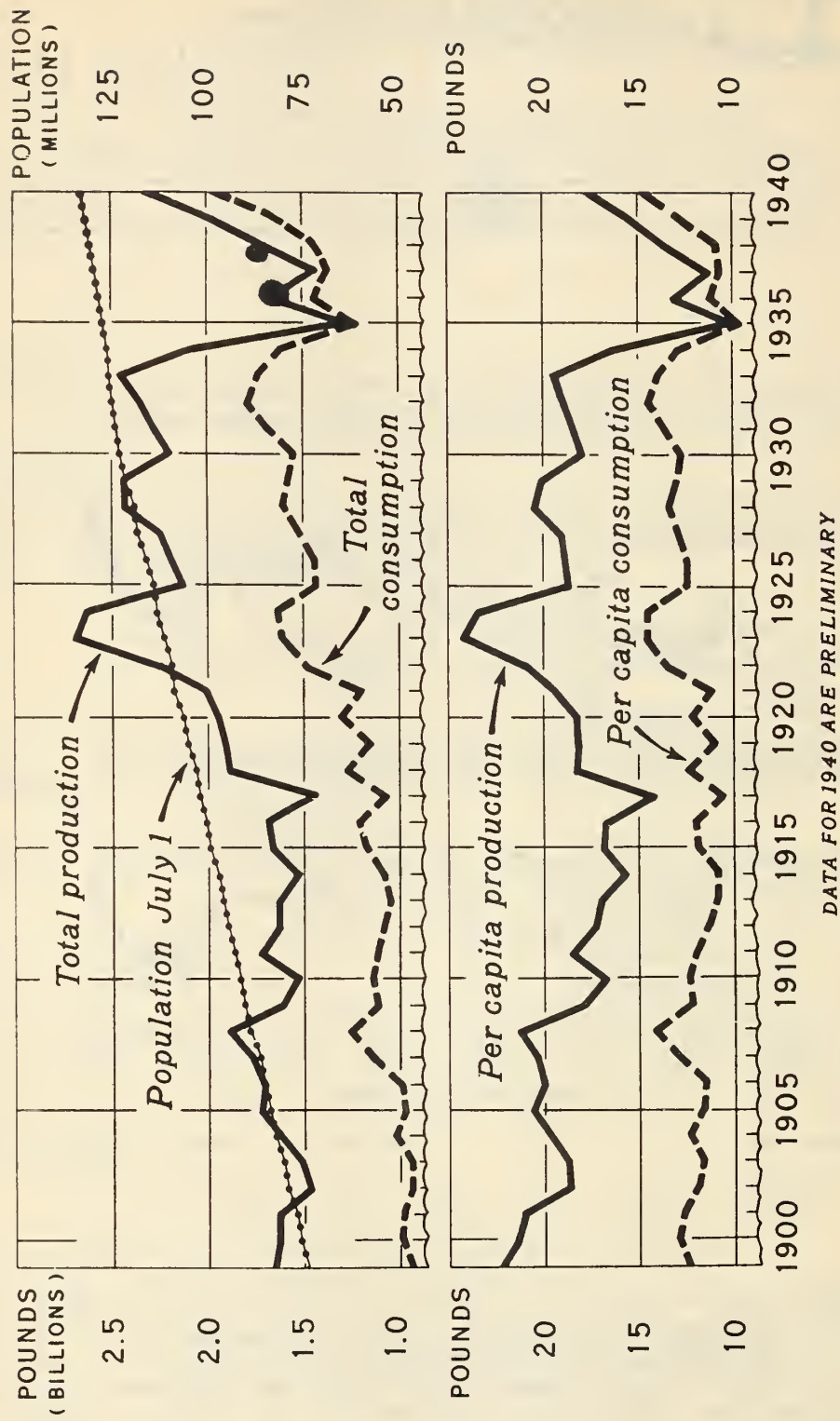
U. S. DEPARTMENT OF AGRICULTURE

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TOTAL PORK PRODUCTION IN THE UNITED STATES DURING 1940 WAS THE LARGEST FOR ANY YEAR OF RECORD. IT WAS APPROXIMATELY 15 PERCENT GREATER THAN IN 1939 AND OVER 60 PERCENT GREATER THAN IN THE RECENT LOW YEAR OF 1935. TOTAL CONSUMPTION OF PORK WAS ALSO MUCH LARGER THAN IN OTHER YEARS. PER CAPITA CONSUMPTION WAS THE FIFTH LARGEST SINCE 1900.

PRODUCTION AND CONSUMPTION OF LARD, AND POPULATION, UNITED STATES, 1899-1940



U. S. DEPARTMENT OF AGRICULTURE

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FIGURE 1.- PRODUCTION OF LARD, LIKE THAT OF PORK, HAS INCREASED SHARPLY SINCE 1935. TOTAL LARD PRODUCTION IN 1940 WAS EXCEEDED IN SEVERAL OTHER YEARS, BUT TOTAL CONSUMPTION WAS MUCH THE LARGEST ON RECORD. EXPORTS OF LARD HAVE BEEN SMALL DURING THE PAST FEW YEARS, AND AN INCREASED PROPORTION OF THE TOTAL PRODUCTION HAS BEEN CONSUMED DOMESTICALLY.

THE LIVESTOCK SITUATION

Summary

Marketings of livestock and total meat production so far in 1941 have been about as large as in the corresponding months of last year. During the remainder of 1941 meat production is expected to be a little smaller than in the last half of 1940, with all of the decrease in pork. Recent rains over wide areas of the country have improved the prospects for 1941 feed crops, and an expansion in the number of pigs raised this fall and in hog marketings in 1942 is probable.

Consumer demand for meats is stronger this year than last. This stronger demand and Government purchases of pork and lard under the food-for-defense program will be important factors in maintaining higher average prices for meat animals this year than in 1940. Cash farm income from meat animals this year will be the highest in 10 years. The percentage increase in farm income will be greater for hogs than for cattle, as hog prices have advanced materially from the low level that prevailed last year.

Hog prices rose about \$2.00 per 100 pounds from late March to mid-June. This rise in prices accompanied some seasonal increase in hog marketings and was due chiefly to Government purchases of pork and lard under the food-for-defense program. Purchases of pork and lard by the Department of Agriculture have totaled nearly 250 million pounds during the period since April 3 when the new food program was announced. Hog marketings will be reduced seasonally in the next few months and probably will be smaller than a year earlier.

Prices of better grades of slaughter cattle increased moderately in early June, after having declined steadily in most of the period from

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February through May. Prices of lower grades of slaughter cattle and of stocker and feeder cattle have weakened very little in recent months. Marketings of the better grades of slaughter cattle probably will continue larger than a year earlier in the summer and fall months, but some seasonal advance in prices of such cattle is expected in the next few months.

Prices of new crop lambs have been moderately higher this spring than last. Marketings of sheep and lambs in May were larger than a year earlier, but the effect of larger supplies on prices was more than offset by the improvement in consumer demand for meats. Weather and feed conditions have been favorable in most areas for the development of the early and late lamb crops. Range feed conditions on June 1 were the best for that date in many years. With an increase in the number of breeding ewes on farms and ranches on January 1, 1941 over a year earlier and with favorable feed conditions in important sheep areas, the 1941 lamb crop is expected to be larger than the crop of last year.

-- June 13, 1941

RECENT DEPARTMENT OF AGRICULTURE PUBLICATIONS ON LIVESTOCK

"Trends in Production and Foreign Trade for Meats and Livestock in the United States", Technical Bulletin No. 764, available upon request to the Division of Economic Information, Bureau of Agricultural Economics, United States Department of Agriculture, Washington, D. C.

"Farm Production and Income from Meat Animals by States, 1939-40" and "Livestock, Meats and Wool Market Statistics and Related Data, 1940" available upon request to the Agricultural Marketing Service, United States Department of Agriculture, Washington, D. C.

REVIEW OF RECENT DEVELOPMENTS

HOGS

Hog prices advance in June

Hog prices weakened a little in late May and early June, but by the middle of June they had advanced to the highest level in about 3 years. The average price of all hogs at Chicago for the week ended June 14 was \$9.50. This compares with \$8.90 in mid-May, \$7.65 in late March, and \$4.95 in the corresponding week of 1940. Purchases of pork and lard by the Department of Agriculture, together with some reduction in hog marketings during the past 2 or 3 weeks, appear to have been the chief factors responsible for the sharp rise in hog prices since March. These factors, together with material improvement in domestic consumer demand conditions, account also for most of the increase in hog prices over June a year ago. Market supplies of hogs in the past 2 months have been slightly larger than a year earlier.

The spread between prices of heavy and medium weight hogs has widened somewhat since late May, when it was exceptionally narrow. The average price of 300-330 pound butcher hogs at Chicago for the week ended June 14 was about 25 cents lower than the price of 200-220 pound hogs. Three weeks ago the spread was less than 5 cents. It is still narrower than usual for this time of year, however.

The hog-corn price ratio has improved during the past several weeks as a result of the continued advance in hog prices. The ratio based on the average price of all hogs and of No. 3 Yellow corn at Chicago for the week-ended June 14 was 13.0. This compares with 12.1 in early May and 11.2 in early April. The ratio of hog prices to corn prices has been favorable for hog production, i.e., above the long-time average of 11.6, in most weeks since last January.

Hog marketings continued larger in May

The weekly rate of hog marketings was larger than a year earlier during most of May. The total number of hogs slaughtered under Federal inspection during the month was 4,023,000 head, 6 percent more than in April and 3 percent more than in May last year. Inspected hog slaughter in the first 5 months of 1941 (January-May) was 5 percent smaller than in the same period a year earlier.

Marketings of packing sows have increased seasonally during the past few weeks, but the proportion of sows in total marketings has been smaller than a year earlier. Average weights of hogs marketed during May continued heavier than a year earlier, despite the smaller proportion of sows.

Storage stocks of lard increased during May

The net in-storage movement of lard during May amounted to 33 million pounds, raising total stocks on June 1 to approximately 354 million pounds,

the largest quantity for any month on record. This was 70 million pounds (25 percent) more lard than was in storage on June 1 last year, and 224 million pounds (175 percent) more than the 1935-39 June 1 average. Storage stocks of lard owned by the Department of Agriculture on June 1 totaled 27 million pounds compared with approximately 70 million pounds a month earlier.

Storage stocks of pork changed relatively little during May, there being a net out-of-storage movement of about 1 million pounds. The total amount of pork in storage on June 1 was 795 million pounds, compared with 593 million pounds a year earlier and the 1935-39 June 1 average of 516 million pounds. Ordinarily storage holdings of pork decrease seasonally from late spring to early fall. Included in the total stocks of pork on June 1 was about 20 million pounds owned by the Department of Agriculture.

Storage holdings of pork and lard on the first of the month, average 1934-35 to 1938-39, 1939-40, and current marketing year

Month	Pork			Lard			Rendered pork fat 1940-41
	Average:			Average:			
	1934-35:	1939-40:	1940-41:	1934-35:	1939-40:	1940-41:	
	to			to			
	1938-39:			1938-39:			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Oct.	344.6	300.2	329.2	87.6	78.3	235.7	1/
Nov.	323.7	272.7	303.7	69.6	68.7	223.2	1/
Dec.	378.9	332.3	408.9	71.8	89.0	232.5	5.1
Jan.	502.0	469.5	656.2	95.6	162.1	287.0	7.1
Feb.	584.6	588.6	739.9	120.5	202.2	299.6	7.2
Mar.	603.7	650.7	791.9	126.7	256.6	317.4	9.2
Apr.	580.1	652.7	785.4	129.9	268.8	310.4	8.3
May	561.3	612.0	795.9	129.1	266.1	321.1	6.6
June	515.7	592.6 ^{2/}	794.6	129.4	283.9 ^{2/}	353.7 ^{2/}	7.0
July	474.7	598.5		130.2	306.8		
Aug.	422.6	548.7		121.2	303.2		
Sept.	361.9	417.6		101.8	272.3		

1/ Not distinguished from lard prior to December 1940.

2/ Preliminary.

Canadian pork situation

Canadian exports of live hogs to the United States continued fairly large in May (about 3,500 head) as a result of further advances in hog prices in this country. A large part of the recent exports of Canadian hogs have been from western Canada to the Pacific Coast area of the United States. Although Canadian exports of pork and live hogs to the United States in the past 5 or 6 months have not been exceptionally large, the movement has caused the Canadian Government some concern; in view of the need for large quantities of bacon for shipment to Great Britain.

The Anglo-Canadian bacon agreement concluded last year called for about 425 million pounds (roughly the amount expected to be produced in excess

of domestic requirements) of bacon to be shipped during the year ended October 31, 1941. Recently the British Government has requested that the rate of bacon exports from Canada be accelerated so that exports of the approximately 200 million pounds remaining to be shipped under the agreement would be completed by September 15.

In order to insure ample supplies of pork products for shipment to Great Britain during the next few months, the Canadian Bacon Board in recent weeks has taken steps to raise the price of hogs in Canada and has placed restrictions on the domestic consumption of pork. On May 1 the schedule of prices paid for bacon (Wiltshire sides) by the Board was raised \$1.00 per 100 pounds, the increase in price to be borne by the British Government. In mid-May an order was issued by the Bacon Board limiting the production and distribution of bacon for domestic consumption in Canada to the average weekly amount processed and distributed in 1940. This action is not expected to greatly curtail domestic supplies, however, as consumption was at a relatively high level last year. More recently (on May 30) the Bacon Board announced a second increase in the schedule of bacon prices of 75 cents per 100 pounds.

The two increases in the schedule of bacon prices in Canada during May have been reflected in similar advances in the prices of live hogs. The average price of B1 grade bacon hogs at Toronto has advanced from about \$8.45 (Canadian currency) in April to about \$9.60 in early June. The advance in hog prices in the United States during recent weeks, however, has been equally marked.

Exports of pork and lard little changed in April

Exports of pork in April totaled 2.9 million pounds, about .5 million pounds more than in March but 2 million pounds less than in April last year. April lard exports of 22.4 million pounds were 2 million pounds less than in March but about 3.5 million pounds more than in April 1940.

CATTLE

Cattle prices increased in early June

Prices of all grades of slaughter cattle increased fairly sharply in early June. This is the first material improvement in prices of the upper grades and heavier weights of slaughter steers in several months. Prices of the lower grades of beef cattle have been holding about steady since mid-January, while prices of the upper grades have been declining sharply. The average price of good grade beef steers at Chicago for the week ended June 14 was \$10.95 compared with \$10.30 in late May, about \$12.00 in mid-January, and \$9.45 in the corresponding week of 1940. Despite fairly heavy marketings of cows and heifers in recent months, prices of slaughter cows have advanced about the usual seasonal amount since mid-winter and are now a little higher than a year earlier.

Prices of feeder steers have declined since early April, reflecting a downward trend of prices of fat cattle, but they are still materially higher than a year earlier. The average price of feeder steers at Kansas City

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for the week ended June 13 was \$9.90 compared with about \$10.60 in early April and \$8.15 in the corresponding week of 1940.

Cattle slaughter increased sharply in May

Slaughter of cattle increased sharply during May, apparently as a result of increased marketings of grain-fed cattle. The number of cattle on feed in the Corn Belt on April 1 was 16 percent larger than a year earlier. Inspected cattle slaughter for the month totaled 908,000 head, 15 percent more than in April and 14 percent more than May last year. Inspected calf slaughter of 501,000 head in May was slightly smaller than a month earlier, but about the same as a year earlier. Cattle slaughter in the first 5 months of 1940 totaled 6 percent larger than in the corresponding period last year. Calf slaughter was about 1 percent larger.

Imports of cattle and calves
increased in April

Imports of cattle and calves increased in April as they generally have in the first month of each quarter since the conclusion of the 1939 trade agreement with Canada. Total imports for the month amounted to a little over 93,000 head, 25,000 head more than in March but about the same number as was imported in April last year. Most of the increase over March was in cattle weighing over 700 pounds (exclusive of dairy cattle) to which the quarterly quotas apply. Imports of such cattle from Mexico in April totaled 13,400 head, compared with only 185 head in March. The total allotment of heavy dutiable cattle permitted entry at the reduced rate from countries other than Canada (chiefly Mexico) in any one quarter is 8,280 head. This number was exceeded by the end of the first week in April. Imports of heavy dutiable cattle from Canada in April totaled nearly 10,000 head, compared with about 6,000 head in March and that country's maximum quarterly allotment of 51,720 head.

Total imports of cattle from Mexico in April amounted to 74,800 head, compared with 18,600 head from Canada. About 54,800 head of the imports from Mexico were light weight cattle and about 6,600 were calves. Imports of calves from Canada totaled 6,800 head.

Cattle imports from Canada, Mexico, and all countries, by weight groups, and imports of beef and veal, January-April 1936-41

Period	Cattle									Beef and veal	
	Canada			Mexico			All countries			total all countries	
	Under 700 lb.	700 and over 1/	All cattle	Under 700 lb.	700 and over 1/	All cattle	Under 700 lb.	700 and over 1/	All cattle	Canned beef 2/	Beef and veal, fresh, pickled and cured
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	1,000 pounds	1,000 pounds
Jan.-Apr.:											
1936	16	66	86	80	15	95	97	81	181	34,736	2,214
1937	30	61	96	87	18	105	118	79	202	22,253	1,907
1938	21	19	44	117	20	136	138	39	180	21,178	898
1939	25	65	95	270	36	306	295	101	401	21,836	1,278
1940	19	35	58	162	25	187	181	60	245	24,145	1,453
1941	19	33	59	234	25	260	253	58	318	24,528	11,971

1/ Exclusive of cattle imported for dairy purposes.

2/ Actual weight of imports, chiefly from Argentina, Uruguay, Brazil, and Chile.

LAMBS

Lamb prices strengthened in early June

Prices of spring lambs weakened somewhat in late May, but they strengthened again in early June. Prices of shorn old-crop lambs also have advanced a little in the past few weeks, while prices of shorn ewes have held about steady at a slightly higher level than that which prevailed last spring.

The average price of good and choice grade new-crop lambs at Chicago for the week ended June 14 was \$12.15. This compares with \$11.80 a month earlier and \$11.15 in the corresponding week of 1940. Good and choice grade shorn lambs averaged \$9.85, about 60 cents higher than a year earlier. Lamb prices have averaged moderately higher this spring than last, despite somewhat larger market supplies. The effect of the larger marketings on lamb prices has been more than offset by improvement in consumer demand for meats.

Marketings of sheep and lambs increased in May

Slaughter of sheep and lambs under Federal inspection totaled 1,551,000 head during May, 8 percent more than in April and 9 percent more than in May last year. Marketings of sheep and lambs have increased seasonally since February and have continued larger than a year earlier during the past 6 months. The increase in slaughter over a year earlier reflects the larger number of lambs on feed January 1 this year than last and the larger marketings of early spring lambs and shorn yearlings during the past month or so.

MEAT PRODUCTION AND CONSUMPTION IN 1940

Livestock production has increased sharply in the United States since the drought years 1934 and 1936 -- more sharply than seemed likely 3 or 4 years ago. In 1940 farmers marketed more pounds of livestock and consumers purchased more meat and lard than in any other year on record. Preliminary estimates of total sales of meat animals for 1940 on a live-weight basis amounted to about 35,793 million pounds, a little more than the 35,782 million pounds marketed in 1934 when farmers and ranchmen were forced to liquidate a large portion of their breeding herd, but it was nearly 8 percent more than in 1939 and 17 percent more than the 1928-32 average. Most of the 1940 increase over the pre-drought period was in cattle and calves, but the increase for hogs and sheep and lambs was also fairly large percentagewise.

Total production of meat and lard from livestock slaughter in the United States during 1940 was materially larger than in any other year, and total domestic consumption of meats and lard was much the largest on record. In several earlier years when meat and lard production was exceptionally large, a substantial proportion of commercial production was exported. In recent years net exports have been small, and most of the United States production has been consumed domestically.

Farm sales of meat animals, production, and consumption of meats in the United States, average 1928-32 and 1939, 1940

Items	1928-32 average	1939	1940 1/
	Million pounds	Million pounds	Million pounds
Sales of meat animals (live weight)			
Cattle and calves	15,033	17,608	17,951
Hogs	13,351	13,049	15,252
Sheep and lambs	2,184	2,556	2,590
Total	30,568	33,213	35,793
Production from total United States slaughter			
Beef and veal	6,666	7,962	8,177
Pork	8,804	8,627	9,920
Mutton and lamb	788	876	878
Total meats	16,258	17,465	18,975
Lard	2,340	1,998	2,297
Total United States consumption			
Beef and veal	6,757	8,110	8,260
Pork	8,515	8,441	9,577
Mutton and lamb	788	872	875
Total meats	16,060	17,423	18,712
Lard	1,639	1,632	1,940

1/ Preliminary.

CASH FARM INCOME FROM MEAT ANIMALS

Cash farm income from meat animals in the first 4 months of 1941 (Jan.-Apr.) totaled 920 million dollars. This was 207 million dollars (about 29 percent) more than in the corresponding period of 1940. The increase over a year earlier reflects the higher level of prices received by farmers this year and the larger marketings of cattle, calves, sheep and lambs. Sales of hogs by farmers in the first 4 months of the year totaled about 7 percent less than a year earlier, but prices received for hogs averaged about 48 percent higher. The index of prices received by farmers for all meat animals in January-April averaged 132 percent of prices in the 1910-14 base period, compared with 102 percent a year earlier. The increase in livestock prices and income received by farmers for meat animals in the past few months as compared with the same months a year earlier reflects largely the marked improvement in consumer demand conditions in this country during the past year.

OUTLOOK FOR FEED SUPPLIES

Growing conditions so far this spring have been favorable throughout most of the Corn Belt, and feed supplies for 1941-42 may be as large as the supply last year, if not larger. Prospects for forage and feed grains in the northeast section of the country have been improved by recent rains, but moisture is still deficient in large areas in the Southeast.

Although much will depend upon weather conditions during July and August, prospects for the 1941 corn crop are good, and the total corn supply this fall may be larger than the large supply last year. The 1941 barley supply (June 1 farm and commercial stocks plus indicated production) is 389 million bushels, about 21 million bushels more than the 1940 supply. The 1941 oat crop is indicated to be about 118 million bushels smaller than that of 1940, but the carry-over of oats is much larger and the total supply of oats may be about the same as a year earlier. Hay production may be somewhat smaller this year than last, but the total supply of hay (1941 production plus May 1 stocks) will be larger than the 1930-39 average of 89 million tons and it may again exceed 100 million tons.

Western ranges made more than the usual seasonal improvement during May, and on June 1 range feed conditions were the best for that date since 1926. In some areas the growth of feed has been delayed a little by cool weather, but there has been considerable rainfall in most sections and the prospects for summer feed are good. Pastures are extremely short in the eastern and southeastern part of the country where rainfall is still badly needed.

HOGS - OUTLOOK

BACKGROUND.-- Hog production and hog prices tend to fluctuate in cycles of about 4 or 5 years. The most recent peak in hog production was reached in 1939 when the pig crop was the largest in the 16 years of record. Since then production has decreased. The 1940 pig crops were smaller than those of 1939, and indications are that the 1941 spring crop was further

reduced. In early 1940, hog prices declined to the lowest level reached since 1934. Prices have followed a moderate upward trend since the summer of 1940, reflecting chiefly improvement in consumer demand conditions and some reduction in market supplies of hogs.

Progress of the food-for-defense program - hogs

Since April 3 -- when it was announced that hog prices would be supported by Government purchases of pork and lard in order to stimulate increased production -- the Department of Agriculture has purchased approximately 244 million pounds of pork and lard, hog prices have advanced about \$2.00, average weights of hogs marketed have increased substantially over a year earlier, and indications point to a substantial increase in the 1941 fall pig crop over that of 1940.

As indicated in the accompanying table, of the total quantity of pork and lard purchased by the Department of Agriculture during the period April 3-June 15, about 85 million pounds were cured and frozen pork, 45 million pounds were canned pork, and 114 million pounds were lard. In addition, about 1 million pounds of pork casings and 11,000 pounds of dried beef have been bought. Figures on how much of these purchases have been exported under the defense program, distributed to needy families, or otherwise disposed of are not available.

Purchases of pork and lard by the Department of Agriculture, April 3-June 15, 1941

Period	Pork		Lard	Total
	Cured	Canned		
	and frozen			
	Pounds	Pounds	Pounds	Pounds
April	31,458,500	15,005,884	31,258,400	77,722,784
May	48,475,000	28,116,946	64,811,631	141,403,577
June (1-15) ..	5,375,000	1,624,788	17,482,384	24,482,172
Total	85,308,500	44,747,618	113,552,415	243,608,533

Hog prices frequently decline from March through May as marketings of fall pigs increase seasonally. This year, however, the average price of all hogs at Chicago advanced from a level of around \$7.65 in March to \$9.35 by the end of May, and they have risen a little further in the past 2 weeks. During this period business and industrial conditions affecting consumer demand for meats changed relatively little and hog marketings continued large, so that it seems clear that the rise in hog prices was due largely to the purchase program.

Since one of the means of increasing pork production is increasing the average weights at which hogs are marketed, it was deemed desirable to encourage the feeding of hogs to heavier weights. This was done by buying products derived chiefly from the heavy hogs. And, as is shown by the chart on page 20 of this report, prices of heavy hogs advanced considerably

more during May than did prices of medium-weight hogs. Since late May the spread between prices of medium and heavy-weight hogs has widened a little, as is usually the case after the summer run of packing sows gets under way. Nevertheless, as is indicated by the accompanying table, recent improvement in hog prices has lent considerable encouragement to producers to feed hogs to heavier weights. In early March the average weight of barrows and gilts purchased at 7 important markets was running about 5 pounds heavier than in March 1940. In early June weights averaged 9 pounds heavier than a year earlier. The average weight of packing sows in early June was 27 pounds heavier than a year earlier, compared with 2 pounds lighter in March.

Average weights of hogs purchased at seven important markets,
March-June, 1940-41

Month and week	Barrows and gilts		Sows		All hogs	
	1940	1941	1940	1941	1940	1941
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
March	236	241	413	411	245	248
April	234	239	401	407	243	246
May	231	238	381	395	243	246
June 7	228	238	367	395	245	247
14	227	235	355	381	248	249

With farmers assured of a fairly high level of hog prices during the next year or so, a substantial increase in this year's fall pig crop over that of 1940 is fairly certain. About 5 percent of all hogs sold at seven leading markets during May were packing sows. In May last year the proportion was 8 percent. These figures together with total hog marketings during May indicate that the number of sows sold for slaughter during the past month was about 30 to 35 percent less than in May 1940. Since most of the fall pig crop is raised from sows which farrowed the preceding spring, it appears that the number of sows being held back for fall farrow is considerably larger this year than last and that the 1941 fall pig crop will be larger than the fall crop last year.

Hog supplies during the next few months

Slaughter supplies of hogs will decrease seasonally during the next month or so, and total marketings during the remainder of the 1940-41 marketing year (June-Sept.) are expected to be smaller than a year earlier by about 10-15 percent. So far in most of the months of the current marketing year, hog slaughter has been larger than appeared probable last fall. It now seems likely that the total number of hogs slaughtered under Federal inspection during the 1940-41 marketing year will not differ greatly from the 47.6 million head slaughtered in 1939-40.

OUTLOOK - CATTLE

BACKGROUND.- Cattle numbers in the United States tend to fluctuate in cycles of about 15 years. The upward trend in

cattle numbers after 1928 was halted by the droughts of 1934 and 1936, and numbers declined sharply until 1938. Since then cattle numbers have been increasing, and as a result of the holding back of breeding stock for herd-building purposes, slaughter of cattle and calves was reduced moderately in 1938 and 1939. Slaughter increased a little in 1940, however, and with numbers now approaching the 1934 level, slaughter can continue to increase at the same time that herds are being increased further.

Cattle slaughter in early 1941

Inspected cattle slaughter in the first 4 months of 1941 totaled about 4 percent more than in the corresponding period of 1940. Practically all of the increase over a year earlier was in slaughter of cows and heifers. Steer slaughter was slightly smaller than in January-April a year ago. Although it is likely that some of the increase in cow and heifer slaughter represented increased marketings of grain-fed heifers, these figures bear out earlier indications that cattle numbers have now increased to the point at which total marketings of cattle can increase at the same time that herds are being built up further.

There are some indications that the sharp increase in cattle slaughter in May represented largely increased marketings of grain-fed cattle. The number of cattle on feed in the Corn Belt on April 1 was 16 percent larger than a year earlier, and a substantial increase in slaughter supplies of well-finished cattle over a year earlier is in prospect for this summer and early fall. Marketing intentions reported by cattle feeders this spring indicated that most of the increase in supplies of fat cattle over 1940 would take place in the late summer and early fall.

Cattle prices

Cattle prices have followed about the usual seasonal pattern during the past 5 months. Prices of the upper grades of slaughter cattle have declined, whereas prices of the lower grades have advanced a little or held about steady. The general level of cattle prices in May and early June was about \$1.00 higher than a year earlier. The decline in prices of fat steers since January has been quite pronounced, however, and it has been especially severe for the heavier weights of beef steers.

Little information is available concerning changes in supplies of cattle by grades and weight groups or on demand conditions affecting different grades and weights of beef. Market reports indicate that the proportion of heavy-weight cattle in total marketings in recent months has been larger than usual. The usual outlet for heavy beef is limited chiefly to high-class restaurants, hotels, passenger steamships, and small groups of consumers in certain areas of the country, principally New England. The steamship outlet has been largely eliminated because of the war. It seems probable that the demand for heavy beef has been curtailed to some extent in recent months, despite the improvement in the demand for most other meats. This weakness or lack of strength in demand and the relatively large supplies of heavy-weight cattle probably are the chief factors in the sharp drop in prices of the better grades of heavy steers since early January of this year.

The effect on prices of the larger supplies of slaughter cattle this spring than last has been more than offset by improvement in domestic demand conditions over a year earlier. Present prospects point to further improvement in demand conditions during the coming summer and fall, and the general level of cattle prices is expected to continue at a somewhat higher level than a year earlier. Prices of fat cattle will probably increase seasonally during the next few months. But the expected increase in supplies of such cattle will tend to prevent as sharp a rise as occurred in the last half of 1940.

Larger number of cattle on Blue Stem
and Osage pastures

The Blue Stem (Kansas) and Osage (Oklahoma) pastures are well filled with cattle and have the best feed conditions in many years, according to a report of the Agricultural Marketing Service. Spring shipments of cattle into the two areas totaled 240,000 head compared with 222,000 in the spring of 1940. The number of cattle carried over during the winter in the two sections was the largest in many years. Cattle shipments this spring included a relatively large proportion of cows and young cattle with a smaller proportion of aged steers than in former years.

OUTLOOK - LAMBS

BACKGROUND.-- The total number of stock sheep and lambs on farms and ranches has not fluctuated greatly during the past 10 years, although there has been a slight upward trend since 1935. The lamb crop in the Western sheep States has increased moderately since 1935, but the crop in the Native sheep States has changed little since 1931. The 1940 lamb crop totaled 32.7 million head, the largest crop in the 17 years of record.

Conditions continue favorable
for 1941 lamb crop

Sheep and lambs have continued to make good gains in the Western States and are in very good condition. Western ranges improved more than usual during May and, with rains in most sections during early June, summer feed prospects are good. In some sections range prospects are the best in many years. Reports from the Western sheep States indicate favorable developments of both the early and late lamb crops this spring. Marketings of early lambs and shorn yearlings were delayed in April by excessive rains. Slaughter supplies of sheep and lambs increased during May, however, and probably will continue larger than a year earlier for several weeks. Spring lambs will be ready for market earlier than usual in some sections this summer.

No definite information as to the size of the 1941 lamb crop is yet available, but the number of stock sheep on farms and ranches is larger this year than last and, with favorable lambing conditions, this year's lamb crop may be a little larger than that of last year.

Lamb prices

Present prospects indicate that prices of lambs will average higher during the next few months than in the summer and early fall of 1940. Lamb prices ordinarily decline seasonally from early summer to early fall as the market movement of lambs increases in volume. Last year the decline during June and July was quite sharp. It is likely that prices will not fall off so sharply this year, however. General improvement in consumer demand conditions and higher prices for wool will be strong price-supporting factors during the coming summer months.

THE WOOL SITUATION 1/

If the rate of mill consumption reported in the first quarter of 1941 is maintained through the year, as now appears likely, consumption of apparel wool in 1941 will be about 450 million pounds, scoured basis (about 900 million pounds, grease basis). The largest consumption previously reported was 371 million pounds, scoured basis, in 1918. Unfilled orders for men's wear cloth reported by mills in April were large enough to support a record rate of activity through the third quarter of 1941. It is expected that additional orders for army materials will be placed under the 1941-42 appropriation which becomes available July 1.

Farm sales of the 1941 wool clip are well advanced and wool is moving rapidly from producing centers. Prices received by farmers this spring are about 30 percent higher than a year earlier and are higher than at any time since 1928-29. The average price received by growers was 36.1 cents a pound on May 15 compared with 34.7 cents on April 15 and 27.6 cents on May 15, 1940. The small carry-over of domestic wools, prospects for a record mill consumption in 1941, and the uncertainty of shipping facilities for foreign wools are important factors in the higher prices for domestic wools this year.

Mill consumption of apparel wool in April was slightly smaller than the record consumption in March. But consumption in April was nearly 3 times as large as in April 1940 and was the second largest monthly consumption on record. Imports reported so far this year have been larger than in the corresponding period of any previous year. With the new domestic clip now available, imports are likely to decline in the late spring and summer, but total 1941 imports are expected to surpass the record of 378 million pounds (mostly grease basis) set in 1918.

1/ From the June 1941 issue of The Demand and Price Situation. For detailed information, copies of The Wool Situation may be obtained upon request to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

Supplies of hogs and hog products, specified periods

Item	Unit	1941			Oct.-Sept.		Oct.-Apr.		
		Apr.	Mar.	Apr.	Average:	1928-29:1938- to 39	1939- 40	1939- 40	1940- 41
		1940							
Hog slaughter under									
Federal inspection:	Thou-								
No. slaughtered <u>1</u> /:	sands	3,610	3,904	3,807	46,363	39,720	47,651	30,442	31,918
Live weight:									
Average	Lb.	231	238	237	231	234	234	231	232
Total	Mil.lb.	833	930	903	10,723	9,311	11,142	7,029	7,377
Total dressed wt.	" "	623	704	680	8,069	6,975	8,303	5,255	5,508
Yield of lard per									
100 lb. live wt.									
of hogs	Lb.	13.6	14.0	14.0	15.2	<u>2</u> /12.8	<u>2</u> /13.2	13.7	13.0
Lard production <u>3</u> /:	Mil.lb.	113	130	126	1,630	1,187	<u>2</u> /1,485	963	954
Exports: <u>4</u> /									
Pork	" "	5	2	<u>5</u> /	211	125	115	97	<u>5</u> /
Lard	" "	19	24	<u>5</u> /	657	270	232	156	<u>5</u> /
Imports of pork <u>4</u> /	" "	<u>6</u> /	2	<u>5</u> /	6	50	7	5	<u>5</u> /
Proportion of sows									
in inspected									
slaughter <u>7</u> /	Pct.	48.2	47.4	48.0	51.2	49.3	50.0	46.7	47.9

Compiled from reports of Agricultural Marketing Service, except as specified.
1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard rendered in federally inspected plants as reported by the Bureau of Animal Industry.
3/ Includes rendered pork fat. 4/ United States Department of Commerce. Pork includes bacon, hams, and shoulders, and fresh, canned and pickled pork. Lard includes neutral lard. 5/ Not available. 6/ Less than 500,000 pounds. 7/ Includes gilts.

Prices of hogs and hog products, specified periods

Item	Unit	1941			Oct.-Sept.			Oct.-May	
		May	Apr.	May	Average:	1928-29:1938- to 39	1939- 40	1939- 40	1940- 41
		1940							
Av. price, all purchases:	Dol. per:								
Seven markets	100 lb.	5.42	8.32	8.84	<u>1/</u>	6.85	5.54	5.43	7.22
Chicago	" "	5.59	8.37	8.96	6.99	7.00	5.69	5.59	7.38
Av. price of barrows and	:								
gilts, Chicago	" "	5.70	8.44	9.00	<u>1/</u>	7.23	5.86	5.68	7.45
United States average price:	:								
received by farmers	" "	5.35	8.01	8.19	6.48	6.70	5.44	5.34	6.85
Av. price of No. 3 Yellow	Ct. per:								
corn, Chicago	bu.	69	69	72	62	49	60	57	65
Hog-corn price ratio:	:								
Chicago <u>2/</u>	Bu.	8.1	12.1	12.5	11.6	14.4	9.6	9.9	11.3
N. Central States	"	9.2	14.0	13.3	12.9	16.6	10.6	11.0	12.6
Proportion of packing sows	:								
in total packer & shipper	:								
purchases, 7 markets <u>3/</u> ..	Pct.	8.0	4.0	5.0	<u>1/</u>	13.0	12.0	6.8	6.0
Av. weight at 7 markets ...	Lb.	243	246	246	<u>1/</u>	247	244	240	239

Compiled from reports of Agricultural Marketing Service.
1/ Not available. 2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 3/ Monthly figures computed from weekly averages.

Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year		Month					
		Average:	1940	1940		1941			
				Apr.	May	Mar.	Apr.	May	
Slaughter under Federal inspection:									
Number slaughtered:	Thou-								
Cattle <u>1/</u>	sands	8,850	9,756	774	796	766	792	908	
Calves <u>1/</u>	"	4,819	5,359	480	501	444	507	501	
Cows and heifers <u>2/</u>	"	4,181	4,481	304	313	349	329		
Steers <u>2/</u>	"	4,340	4,866	440	448	389	430		
Average live weight:									
Cattle	Pounds:	953	940	953	945	966	962		
Calves	"	176	191	163	169	177	173		
Total dressed weight:									
Cattle	Mil.lb.	4,532	4,971	409	418	405	423		
Calves	" "	487	568	45	49	44	50		
Inspected shipments: <u>1/</u>	Thou-								
Feeder cattle and calves ...	sands	2,894	3,162	156	166	174	204		
Imports:									
Cattle <u>3/</u>	"	253	644	93	87	68	<u>6/</u>		
Canned beef <u>4/</u>	Mil.lb.: <u>5/</u>	36	61	5	9	6	<u>6/</u>		

Compiled from reports of Agricultural Marketing Service, except as specified. 1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929. 6/ Not available.

Price per 100 pounds of cattle and calves, May 1941, with comparisons

Item	May average: 1924-33:	May 1939	May 1940	1941		
				Mar.	Apr.	May
				Dollars	Dollars	Dollars
Beef steers sold out of first hands at Chicago:						
Choice and Prime	10.82	11.26	10.69	12.80	12.57	11.56
Good	10.04	9.92	9.92	11.12	11.07	10.54
Medium	9.16	8.88	9.05	9.69	9.68	9.60
Common	8.08	8.03	8.22	8.72	8.50	8.50
All grades	9.62	9.68	9.83	10.81	10.67	10.23
Cows, Chicago:						
Good	<u>1/</u> 7.25	7.51	7.48	8.34	8.41	8.54
Cutter and Common, and Canner	<u>2/</u> 4.49	<u>2/</u> 5.25	5.20	5.60	5.88	6.36
Vealers, Chicago:						
Good and Choice	9.93	9.02	10.95	10.80	11.24	11.66
Stocker and feeder steers, Kansas City:						
Average price all weights	<u>3/</u> 8.25	8.39	9.18	10.29	10.33	10.06
Average price paid by packers:						
All cattle	8.13	7.93	8.30	8.81	9.06	
Steers	<u>4/</u>	9.18	9.36	10.18	10.23	
Calves	8.97	8.52	9.38	9.80	9.97	

Compiled from reports of Agricultural Marketing Service.

1/ Good and Choice, 1924-27. 2/ Canner and Cutter, 1924-June 1926; Low Cutter and Cutter July 1926-July 1939. 3/ Average 1925-33. 4/ Not available.

Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month					
		Av.	Av.	1940		1941			
		1924-33	1940	April	May	April	May	March	April
Slaughter under Federal inspection									
Sheep and lambs:									
Number slaughtered 1/	Thou-	sands:							
		14,737	17,351	1,165	1,192	1,355	1,420	1,408	1,436
Average live weight	Lb.	81	86	84	80	89	83	96	93
Average dressed weight	"	39	41	40	38	42	40	44	43
Total dressed weight	lb.	569	702	46	46	57	57	62	62
Lambs and yearlings:	Thou-								
Number slaughtered	sands:	13,673	16,253	1,081	1,081	1,295	1,319	1,362	1,379
Percentage of total sheep and lambs	Pct.	92.8	93.7	92.8	90.7	95.6	92.9	96.7	96.0

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry.

Prices per 100 pounds of sheep and lambs, by months,
February-April, 1939-41

Item	1939			1940			1941		
	March	April	May	March	April	May	March	April	May
Slaughter lambs:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Chicago -									
Good and choice 1/	9.12	9.98	2/ 10.55	10.10	10.39	3/ 10.47	11.03	10.89	2/ 11.32
Slaughter ewes:									
Chicago -									
common and medium	3.69	4.30	3.00	4.05	3.78	3.22	5.00	5.12	4.27
Feeding lambs, Omaha:									
Good and choice	8.21	---	---	---	---	---	9.75	---	---
Average price paid by packers:									
Sheep and lambs	8.73	9.19	8.94	9.44	9.47	9.04	10.40	10.02	
Average price received by farmers:									
Sheep	3.99	4.19	3.94	4.25	4.15	4.02	4.73	5.11	4.90
Lambs	7.43	7.88	8.02	8.05	8.14	8.25	8.92	9.09	9.05

Compiled from reports of Agricultural Marketing Service.

1/ Lots averaging within top half of good grade.

2/ Spring lambs.

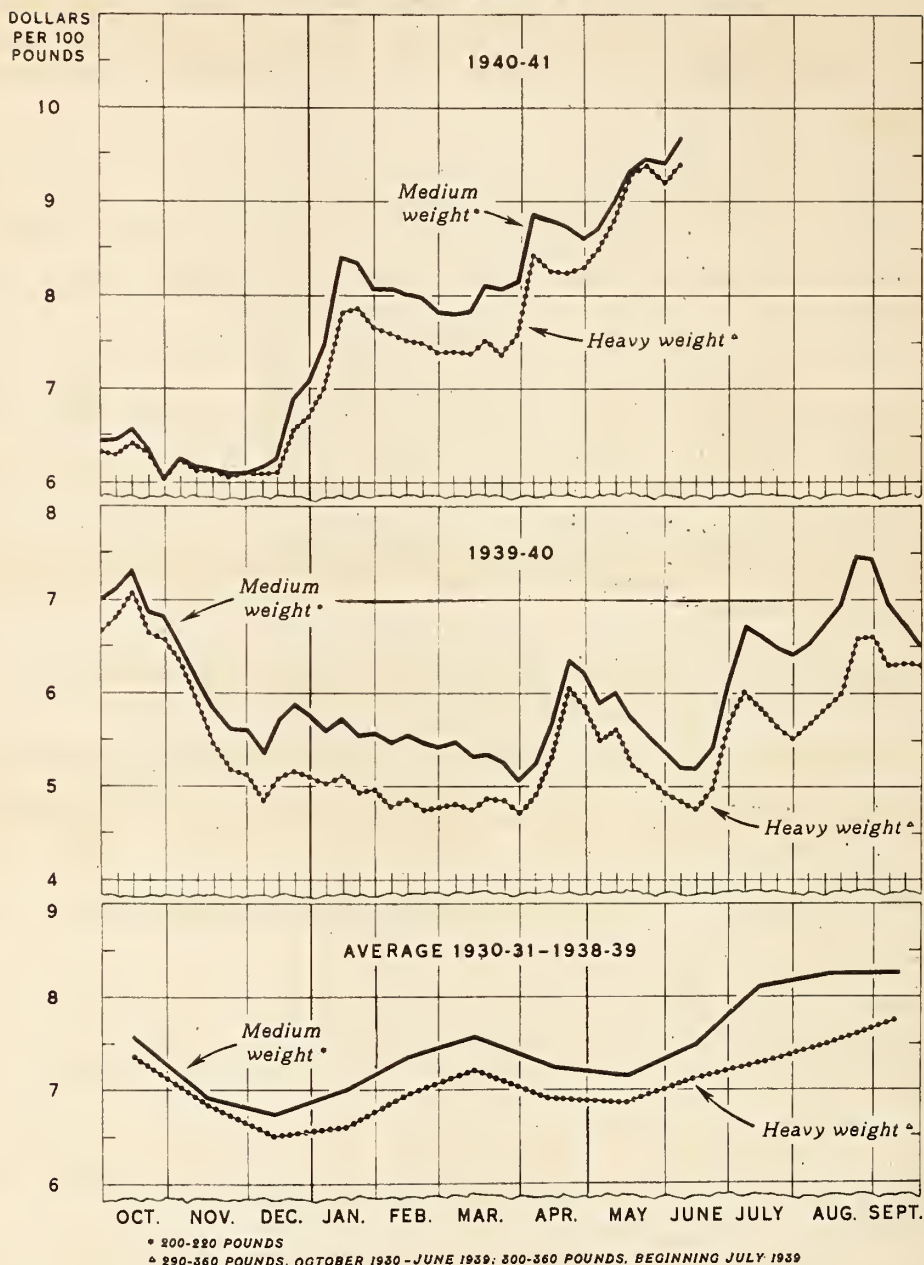
3/ Woolled lambs.

Index numbers of income of industrial workers, and cash
income from meat animals, specified periods

Item	Calendar year				April		1941	
	1938	1939	1940	1940	March	April		
Income of industrial workers (1924-29 = 100)	73	1/ 84	1/ 95	88	113	2/ 112		
Cash farm income from meat animals (1924-29 = 100)	78	81	1/ 85	88.0	1/ 100	2/ 114		

1/ Revised. 2/ Preliminary.

HOGS: PRICES OF MEDIUM AND HEAVY WEIGHTS, CHICAGO, AVERAGE 1930-38, AND 1939-40



U. S. DEPARTMENT OF AGRICULTURE

NEG. 34000 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 2.- HOG PRICES HAVE RISEN MATERIALLY SINCE MARCH; THEY FREQUENTLY DECLINE DURING APRIL AND MAY. THE ADVANCE IN PRICES THIS YEAR WAS MORE PRONOUNDED FOR HEAVY THAN FOR MEDIUM WEIGHT HOGS, LARGELY REFLECTING PURCHASES OF THE HEAVIER CUTS OF PORK BY THE DEPARTMENT OF AGRICULTURE UNDER THE FOOD-FOR-DEFENSE PROGRAM. THE SPREAD BETWEEN PRICES OF MEDIUM AND HEAVY WEIGHT HOGS WIDENED A LITTLE IN EARLY JUNE BUT IT CONTINUED NARROWER THAN A YEAR EARLIER AND NARROWER THAN AVERAGE FOR THIS TIME OF YEAR.